



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 31, 1995

Mr. Paul Jelaco, Vice President
Mail Code - CNDT0311
Energy & Minerals Group
Colorado National Bank
950 17th Street, Suite 300
Denver, Colorado 80202

Re: Reclamation Surety - Certificate of Deposit (# 3204 0532 3587), USMX Inc. - Utah, Goldstrike Mine, M/053/005, Washington County, Utah

Dear Mr. Jelaco:

On August 28, 1995, I spoke with Mr. Thomas Smagala of USMX Inc. (USMX) regarding a \$1,000,000 Certificate of Deposit (# 320405323587) issued by your bank to secure reclamation of the Goldstrike Mine in Washington County, Utah. Mr. Smagala indicated that the maturity date for this 12-month CD is on or about September 6, 1995. USMX reports that certain reclamation work has been completed at the Goldstrike Mine and the company has requested a reduction in the amount of reclamation surety held jointly by this Division and the Bureau of Land Management. A joint agency inspection of the mine site is scheduled for September 13, 1995, to determine reclamation success and how much of a reduction in surety is appropriate. It is anticipated that an appropriate adjustment to the reclamation surety amount will occur within the next three months.

Mr. Smagala indicated he would like to reduce the maturity period on the existing CD from 12 months to 3 months. He stated that your office would require a letter of confirmation from this office authorizing this change. I have also contacted the Bureau of Land Management and obtained their verbal concurrence in this matter. Please accept this letter as our formal authorization to allow a shortened CD maturity date, with all other reclamation surety contract conditions remaining unchanged.

Should you have questions in this regard, please feel free to contact me at your earliest convenience.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

cc: Thomas Smagala, USMX Inc.
Robert Wilson, USMX Inc. of Utah
Larry Gore, BLM - Dixie RA

M053005.bnd

